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March 19, 2003

USDI, Bureau of Land Management
Anchorage Field Office
6881 Abbott Loop Road
Anchorage, AK 99507-2599

RE: 906(k) Concurrence
BLM Lease Application # A081942
State ID # ADL 227816

Attention: Stuart Hirsch, CPL
Group Manager, Realty

Your letter dated June 15, 2000 requested concurrence under ANILCA 906(k) to a lease application from Michele Stevens of Talkeetna, Alaska. The initial lease proposal consisted of approximately 20 acres located within Mineral Survey 2384 (a portion of claim Seattle No. 1 and Contact No. 1). The Division understands the parcel size has been reduced to a 5-acre parcel described by metes and bounds within the Seattle No. 1 mining claim. State of Alaska ID number, ADL 227816, has been assigned to this concurrence request and should be referred to in future correspondence regarding this concurrence or a subsequent lease.

The Department of Natural Resources, Division of Mining Land and Water has reviewed the subject request and recommends the issuance of a lease for a period of ten years, to include the minimum amount of land necessary to protect existing improvements.

The State's concurrence is subject to the following conditions:

1. (a) The Bureau of Land Management (BLM) will provide the Southcentral Regional Office of the Division of Mining Land and Water a copy of the lease and other authorizations issued in conjunction with use of the site.

(b) A lease is issued for a ten year term, is renewable, and will not expire when the land is transferred to the State of Alaska.
2. (a) BLM will notify the Southcentral Regional Office in the event an authorization is not issued or renewed, or if it is terminated prior to conveyance to the State of Alaska.

(b) If a lease is not issued, or if it is terminated, BLM will assure the Southcentral Region that improvements have been removed and the site restored, prior to conveyance to the

State of Alaska.

3. **Notification of Changes.** BLM will include the Department of Natural Resources on the distribution list for any subsequent proposed changes and decisions/notices issued for the land associated with the lease. The State of Alaska's tracking number ADL 227816 should be referenced in subsequent correspondence.
4. **Escrow Funds.** BLM will provide the Department of Natural Resources with information showing lease funds are being escrowed and the amount of escrowed funds.
5. **Transfer of Lease Administration.** Upon conveyance of the land to the State of Alaska, BLM will notify the lessee of title conveyance and the subsequent transfer of lease administration, providing a copy of such notification to the Southcentral Regional Manager, Division of Mining Land and Water.
6. **Authorized Officer.** Upon conveyance to the State of Alaska, the lease agreement is subject to state laws under AS 38.05.070, and the authorized officer for the Department of Natural Resources is the Southcentral Regional Manager, Division of Mining Land and Water. The authorized officer may designate a representative for administration of specific portions of the authorization.
7. **Stipulation Compliance.** Lessee shall inform and ensure compliance of the lease and its stipulations by his/her agents, contractors, subcontractors, employees, and guests.
8. **Use of Leasehold.** The lease is for private residential use, maintenance of existing buildings, and the storage of historical mining equipment and artifacts within the leasehold. No new improvements may be added under the lease authorization. The lease may be terminated, upon written notification, if the land ceases to be used by the Lessee for the purpose specified in the lease.

Old equipment and artifacts located within Mineral Survey 2384 and owned by the lessee, must be consolidated onto the leasehold during the lease term. Equipment and artifacts not moved to the leasehold becomes the property of the State upon expiration of the lease.
9. **Petersville Road Right of Way.** The lease is issued subject to the right of way for Petersville Road.
10. **Spur Road Access Easement.** A public easement shall be reserved over the existing spur road accessing Peters Creek from Petersville Road. The spur leaves Petersville Road between the buildings located at the northern portion of the lease. An alternate access easement may be approved, but must be constructed to equal or better standards than the existing spur road. State Regulations recommend a 60-foot easement for existing roads

not already having a reserved easement.

11. **Other Access.** Public access shall not be restricted along Peters Creek. No new access trails or roads are authorized without written authorization from the Bureau of Land Management or upon conveyance of the land to the State of Alaska, the Department of Natural Resources, authorized officer.
12. **Wastewater Disposal.** All gray water or human waste must be disposed of in a pit, or containment which can easily be transported and disposed of at an Alaska Department of Environmental Conservation approved disposal site. If pits are used, they must be limed and backfilled on or before lease expiration or upon lease termination.

Pit privies or any self-containment unit for waste must be located a minimum of 100 feet from the ordinary high water mark of any water body.
13. **Waste Disposal.** The site must be kept clean. All garbage and debris will be stored to not attract wildlife. All waste generated during the operation and termination activities of this lease shall be removed and disposed of as required by state and federal laws. As defined in this paragraph "waste" means all discarded matter, including but not limited to human waste, trash, garbage, litter, oil drums, petroleum, ashes and discarded equipment.
14. **Site Disturbance.** Site disturbance shall be kept to a minimum to protect local habitat. Activities on the leasehold shall be conducted in a manner that will minimize the disturbance of soil and vegetation and changes in the character of natural drainage systems. Particular attention must be paid to prevent pollution and siltation of streams, lakes, ponds, waterholes, seeps and marshes, and to prevent disturbances to fish and wildlife populations and habitats.
15. **Surface Resources.** Unless otherwise provided by the lease or other written authorization, the lessee may not sell or remove from the leasehold any timber, stone, gravel, peat moss, topsoil, or any other material valuable for building or commercial purposes.
16. **Fuel Storage.** Fuel storage containers, including flow test holding tanks and hazardous substances, with a total combined capacity larger than 55 gallons shall not be placed within 100 feet of the ordinary high water mark of any water body. Containers which exceed a total combined capacity of 110 gallons must be stored within an impermeable diked area or portable impermeable containment structure capable of containing 110 percent capacity of the largest independent container. All containers must clearly be marked with the contents and lessee's name. Drip pans and materials, such as sorbent pads, must be on hand to contain and clean up spills from any transfer or handling of fuel.

17. **Spill Notification.** Lessee shall immediately notify the Department of Natural Resources and Department of Environmental Conservation by telephone of any unauthorized discharges of oil to water, any discharge of hazardous substances (other than oil), and any discharge of oil greater than 55 gallons solely to land and outside an impermeable revetment. If a discharge of oil is greater than 10 gallons but less than 55 gallons, it must be reported within 48 hours by telephone or fax. If a discharge is less than 10 gallons, it may be reported in writing on a monthly basis. If an unauthorized discharge greater than 55 gallons is made to a secondary containment, it must be reported within 48 hours by telephone or fax. Any discharge of oil or hazardous substances to water must be reported immediately to DEC. The DEC oil spill report number is (800) 478-9300. The DNR 24-hour spill report number is (907) 451-2678; the fax number is (907) 451-2751. DNR or the appropriate land manager and DEC shall be supplied with all follow-up incident reports.
18. **Fires** The Department of Natural Resources assumes no responsibility for protecting any temporary improvements or personal property in cases of grass, brush, or forest fires.
19. **Inspections.** The site is subject to routine field inspection. Non-compliance determinations will subject the site to re-inspection. Lessee may be assessed for the cost of reinspection, at the Director's discretion, either a fee of \$100.00 or a fee equal to the actual expenses incurred by the Division of Mining Land and Water (11 AAC 05.010). The Division of Mining Land and Water reserves the right to attach the performance guarantee, if required, to recover incurred costs associated with re-inspections.
20. **Other Authorizations.** This authorization does not relieve the lessee from securing any other permits, licenses, or other authorizations required by federal, state, or local law.
21. **Performance Guarantee and Insurance.** The State of Alaska reserves the right to require a performance guarantee and insurance for this authorization during the term of the lease.
22. **Indemnity.** Lessee shall indemnify the State and hold it harmless from any and all claims, demands, suits, loss, liability and expense from injury to or death of persons and damage to or loss of property arising out of or in connections with the exercise of the privileges covered by this authorization.
23. **Site Restoration.** While the land within this leasehold is under State ownership, if the lease expires or is terminated, for any reason, land shall be returned to the Department of Natural Resources in an environmental and physical condition acceptable to the authorized officer.

A Notice of Lis Pendens was recorded on March 19, 2002 in the Talkeetna Recording District in reference to litigation under Case No. 3PA-02-00325CI, Dennis Garrett vs Michele Stevens.

The DNR, Title Administration Unit will be asked to place this property on the priority list for receiving state title once a copy of the issued lease agreement is provided to DNR showing the lease issued for a ten-year term and that it will not expire when the land is transferred to the State of Alaska.

Please contact Mike Sullivan or Carol Compton at this office (telephone: 907-269-8503) if you have any questions concerning this letter.

Sincerely,

Richard B. Thompson
Regional Manager

cc: ADNR, Title Administration